THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) A table is enclosed giving figures of GDP, money supply, currency with public, rate of inflation [as measured by rise in wholesale price index (1981-82=100) of the five years] i.e. 1985-86 to 1989-90. [*See* Appendix CLV, Annexure No. 13.]

(b) and (c) The Committee to Review the working of the monetary system (Chairman Prof. S. Chakravarty) which examined various studies in this area, observed that "the precise inter-relationships between money output and prices have, despite years of research, remained an area of controversy". However, it also felt that the rate of growth in money supply should be in conformity with the desired rate of growth in output and constrain the price increase to an acceptable level. It also suggested setting of indicative monetary targets to bring about a better co-ordination between monetary and fiscal policies.

**New Steel Policy**

493. SHRI BAL RAM SINGH YADAVA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have recently declared new steel policy which is aimed at boosting production of steel in the country;

(b) if so, whether Government have taken any effective steps for increasing the production of raw material, such as sponge iron, etc., which are used in the production of steel; and

(c) if the answer to part (b) above be in the affirmative, what steps have been taken by Government to make available raw materials to the steel producing units?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) Yes, Sir.

(b) and (c) Government have delicensed the sponge iron industry to encourage establishment of projects for the production of sponge iron. A number of sponge iron units are already in production and the sponge iron manufactured by the units is utilised by the steel producing units. Shortage of raw materials is met through import of scrap. Gas and coal linkages have also been provided for several new sponge iron projects. Establishment of these projects will further increase the availability of sponge iron.

**Debt Relief Scheme for Farmers**

494. DR. BAPU KALDATE:
SHRI SHANTI TYAGI:
SHRIMATI MANORAMA PANDEY:
SHRI S.K.T. RAMACHANDRAN:
SHRI SURESH PACHOURI:
SHRI HARVENDRA SINGH HANSPAL:
SHRI VITHALBHAI M. PATEL:
SHRI JAGESH DESAI:
SHRI S.S. AHLUWALIA:
SHRI N. E. BALARAM:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) what, accoding to the assessment, if any, made by Government is the estimated number of farmers who are likely to be benefitted by the debt relief scheme, State-wise;

(b) what is the estimated amount likely to be written off with the implementation of the scheme;

(c) whether any formula has been worked out by Government with regard to the Central and State Governments' share in giving the debt relief, if so, what are the details thereof; and

(d) what is the total amount of relief, if any, given by Government so far, State-wise and what is the share of the

Central as well as the State Governments in the total amount paid?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (d) It is not possible at present to make any estimates State-wise about the number of farmers who are likely to be benefitted by the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990. The quick estimates made by the National Bank for Agriculture and Rural Development (NABARD) and Reserve Bank of India (RBI) indicate that the amount likely to be written off might be around Rs. 4000 crores. The Central Government would meet the full cost of write off in respect of public sector banks and regional rural banks. In case of co-operative banks, 50% of the cost shall be borne by the Government of India. The remaining 50% would be met by State Governments' and to meet their share, State Co-operative Bank can avail concessional loan from NABARD. The majority of State Governments have agreed to formulate scheme for co-operative banks on the line of Central Scheme. Nine States have already framed and submitted their schemes to the Government and NABARD. In accordance with the scheme, administrative guidelines have been issued, Block Level Bankers' Committee meetings are taking place, as required under the Scheme, to draw the list of borrowers alongwith the details of their overdues. The details about the actual amount written off and the expenditure incrurred by the State Governments/ Government of India will be known after the Scheme gets implemented.

---

12.00 Noon

## PAPERS LAID ON THE TABLE

MR. CHAIRMAN: Papers to be laid on the Table.

**The National Mineral Policy (For non-fuel and non-atomic Minerals)**

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): Sir, I lay on the Table a copy (in English and Hindi) of the National Mineral Policy (for non-fuel and non-atomic minerals). [Placed in Library-*See* No. LT /90]

**[THE DEPUTY CHAIRMAN in the Chair]**

**I. Report and Accounts (1988-89) of the Narmada Control Authority, New Delhi and related papers.**

**II. Notification publishing constitution of a Cauvery Water Dispute Tribunal**

THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI MANUBHAI KOTADIA): Madam, I lay on the Table—

I. A copy (in English and Hindi) of the Annual Report and Accounts of the Narmada Control Authority, New Delhi, for the year 1988-89, together with the Audit Report on the Accounts.

II. A copy (in English and Hindi) of the Ministry of Water Resources Notification S.O. No. 473(E), dated the 2nd June, 1990, publishing the constitution of a Cauvery Water Dispute Tribunal. [Placed in library. *See* No. LT—for I & II]

**Accounts (1988-89) of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, Bombay and related papers**

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): Madam, I lay on the Table a copy (in English and Hindi) of the Annual Accounts of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL) Bombay, for the year 1988-89 and the Auditors Report thereon. [Placed in Library. *See* No. LT-/90].